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## Community Development & Housing Committee

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### HB 1674

**Brief Description:** Providing that the manufacturing innovation and modernization extension service program is not to sunset.

**Sponsors:** Representatives Kenney, Smith, Ryu, Johnson, Walsh, Finn, Maxwell and Stanford.

| Brief Summary of Bill   |
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| <ul style="list-style-type: none"><li>• Makes the Manufacturing Innovation and Modernization Extension Service Program permanent.</li></ul> |



**Hearing Date:** 2/7/11

**Staff:** Chris Cordes (786-7103).

**Background:**

Impact Washington (Washington Manufacturing Services).

In 2006 the Washington Manufacturing Services was created in statute as a private nonprofit corporation to operate a modernization extension system, coordinate modernization resources, and stimulate the competitiveness of small and midsize manufacturers. The entity formed under this statute is known as Impact Washington. Impact Washington may charge fees for services and receive funds from private and public sources.

Impact Washington is an affiliate under the federal Manufacturing Extension Partnership Program (MEP Program) of the U.S. Department of Commerce's National Institute of Standards and Technology. In October 2010 Impact Washington received a grant from the MEP Program for a three-year project with first year funding of \$130,000. The grant is intended to foster innovation with specific emphasis on exports.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

## Washington Manufacturing Innovation and Modernization Extension Service.

In 2008 the Washington Manufacturing Innovation and Modernization Extension Service Program (MIMES Program) was created. The MIMES Program is administered by the Department of Commerce. The MIMES Program's purpose is to provide assistance to small manufacturers, defined as private companies having 100 or fewer employees whose primary business is to add value to a product through a manufacturing process.

Under the MIMES Program, the Department of Commerce may provide eligible entities with vouchers of up to \$200,000 per year to cover the costs of manufacturing extension services performed by a qualified affiliate, such as Impact Washington. Services may include strategic planning, continuous improvement, business development, lean processes, and supply chain management, among others.

The costs of the manufacturing extension services must be repaid, with payments deposited in a dedicated account. All repayments are intended, by statute, to be eligible as the state match in a qualified affiliate's application for federal matching funds under the MEP Program. A qualified affiliate receiving MIMES Program funds must report annually to the Department of Commerce, and the Department of Commerce must provide a biennial evaluation and report to legislative committees.

A sunset review of the MIMES Program is scheduled in 2012 with a repeal of the MIMES Program on June 30, 2013.

### **Summary of Bill:**

The Manufacturing Innovation and Modernization Extension Service Program is made permanent by repealing the 2013 sunset review and termination requirement.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.